

INTERLOCAL CONTRACT
City of North Las Vegas Wastewater Service

THIS INTERLOCAL CONTRACT ("CONTRACT") is entered into as of July ____, 2016, (the "Effective Date") by and between the CLARK COUNTY WATER RECLAMATION DISTRICT, a political subdivision of the State of Nevada, ("DISTRICT") and the CITY OF NORTH LAS VEGAS, a municipal corporation of the State of Nevada, ("CITY") (individually, a "party" and collectively, the "parties").

WITNESSETH:

WHEREAS, DISTRICT owns, operates and maintains a system for the collection and treatment of wastewater (also referred to as DISTRICT's sewer system or publicly owned treatment works ("POTW")); and

WHEREAS, CITY owns, operates and maintains a system for the collection and treatment of wastewater (also referred to as CITY's sewer system or POTW); and

WHEREAS, certain areas of the CITY are more accessible to treatment at wastewater facilities owned by the DISTRICT than those of the CITY; and,

WHEREAS, NRS 277.180 provides that one or more public agencies may enter into contracts for the performance of any undertaking that the agency is authorized by law to perform; and

WHEREAS, both of the parties hereto have developed and implemented through the adoption by their respective City Council and Board of Trustees, programs for the treatment of industrial and residential wastes; CITY through chapter 13.28 (Pretreatment Regulations) of its North Las Vegas Municipal Code, as amended ("CITY Industrial Pretreatment Program"), and DISTRICT through its pretreatment requirements and standards, as amended ("DISTRICT PRETREATMENT R&S");

WHEREAS, CITY desires to have the wastewater that originates within the CITY service area but which is more accessible to sewer service by the DISTRICT treated at DISTRICT's wastewater treatment plant after it enters the DISTRICT's sewer system and recognizes DISTRICT's authority to provide wastewater service to CITY under DISTRICT PRETREATMENT R&S in connection with the control of industrial wastes; and

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WHEREAS, DISTRICT and CITY are willing to enter into a CONTRACT whereby DISTRICT will provide wastewater service to CITY – and CITY will be DISTRICT's wastewater customer – for wastewater generated in the CITY SERVICE AREA;

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

SECTION 1: BASIC AGREEMENT

A. Subject to the terms of this Agreement, DISTRICT, at its established rates and in accordance with all CLARK COUNTY ordinances and policies, will allow connection to DISTRICT wastewater collection system and will provide wastewater service to CITY for wastewater generated in the CITY SERVICE AREA. The parties further agree that CITY will provide wastewater service to applicants/customers within the CITY SERVICE AREA, and any such applicants/customers within that area shall be CITY's wastewater customers.

B. CITY shall also respond to all Call Before You Dig line locate requests for all CITY owned sanitary sewer lines carrying sanitary sewage to a DISTRICT owned sewer line. CITY shall respond to sewer line failures and sanitary sewer overflows ("SSOs") that occur in any sewer line owned and maintained by the CITY. If the stoppage that caused the SSO originated in the CITY SERVICE AREA, CITY shall mitigate it and DISTRICT shall be held harmless for any costs incurred. If the stoppage that caused the SSO originated in the DISTRICT's system, it shall be the responsibility of DISTRICT to mitigate it, and CITY shall be held harmless for any costs incurred. CITY shall respond to and mitigate any/all odor complaints which originate or caused by any sewer line owned and maintained by CITY. CITY shall require any customers located in the CITY SERVICE AREA where wastewater generated from restaurant plumbing fixtures and equipment, such as but not limited to: three compartment sinks, floor drains, mop sinks, hand sinks, and dishwashers are required to have a FOGG (Grease or Sand/Oil) interceptor. An oil/grit interceptor is required for any customer who operates any of the following sites or business activities: car wash, storage yard for

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motor vehicles, boats, or airplanes; gasoline or diesel service station, repair garage, parking structure, recreational splash pads; or any other facility which has the potential to discharge sand or oil into POTW greater than domestic strength quantities. CITY agrees to require its customers in the CITY SERVICE AREA to comply with all applicable CITY and DISTRICT sanitary sewer laws, statutes, ordinances and regulations.

C. DISTRICT shall provide CITY an annual invoice for charges in the CITY SERVICE AREA. The annual invoice will include annual sewer service charges for wastewater services provided to current CITY customers in the CITY SERVICE AREA. CITY represents that it has exclusive authority to pass such charges on to CITY customers in the CITY SERVICE AREA.

D. All invoices – such as the annual invoice, invoices for service development charges (SDCs)/_____ (SDAs) and invoices for additional ERUs for then-existing CITY customers in the CITY SERVICE AREA (see Section 1.E below) – will be based on DISTRICT's current rates/charges and methodology for assessing rates/charges at the time of invoicing. CITY will be required to pay all invoices within 30 days of receipt.

E. CITY shall determine whether an application for new service within the CITY SERVICE AREA shall connect to DISTRICT or CITY wastewater services. If the recommendation is for that new service to connect to DISTRICT service, CITY shall notify DISTRICT through its Utilities Department of the proposed connection, and DISTRICT will determine if sufficient capacity exists. DISTRICT will invoice CITY for all new CITY customers/services in the CITY SERVICE AREA, and DISTRICT will invoice CITY for fees and charges for those new CITY customers/services. No portion of any SDCs shall be refundable unless the project was abandoned as defined in DISTRICT's rate resolution.

F. After the Effective Date, CITY shall monitor all CITY customers discharging into DISTRICT POTW, including tenant improvements, located within the CITY SERVICE AREA for new or increased wastewater capacity and shall send

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DISTRICT a report of all new connections and/or additional equivalent residential units ("ERUs") (connection fees) by the 10th day of the following month. When conducted, CITY and DISTRICT staff will jointly conduct fixture verifications/inspections. DISTRICT shall invoice CITY for those new connections and/or additional ERUs.

G. Except as provided in Section 1.F above, this Agreement does not guarantee capacity for any additional connections in the future as each will be evaluated on a case-by-case basis.

H. The DISTRICT shall submit notification of proof of sufficient capacity to CITY before CITY shall issue any receipt to the customer for payment of connection fees.

I. CITY agrees that all wastewater from the CITY SERVICE AREA discharging to the DISTRICT POTW shall comply with all wastewater quality standards as required in the DISTRICT Pretreatment R&S and that CITY shall not transmit to DISTRICT wastewater that would cause DISTRICT to be in violation of its national pollutant discharge elimination system ("NPDES") permit in accordance with Section B below.

J. _____
K. This Agreement shall be for a term of fifty (50) years or when CITY wastewater service becomes available, whichever should first occur. Available is defined to mean a gravity wastewater collection line or lift station and force main in the CITY SERVICE AREA with capacity to handle discharge from the CITY SERVICE AREA.

L. K. Both DISTRICT and CITY acknowledge that a successful interlocal contract requires faithful performance of the terms of the agreement by each. Accordingly, the parties may mutually agree to terminate this Agreement, CITY may unilaterally terminate this Agreement for any reason with thirty (30) days written notice or a party may terminate this Agreement for breach in accordance with the following procedures:

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- (1) DISTRICT may issue a NOTICE OF TERMINATION FOR CAUSE for non-performance by CITY of a material term of this Agreement in the following manner:
 - (a) DISTRICT shall issue to CITY written notice of CITY's failure to perform one or more material term(s) of this Agreement. Within thirty (30) days after receiving such written notice from DISTRICT, CITY shall (1) if CITY disagrees that it failed to perform a material term, provide DISTRICT an explanation of how CITY was performing the term(s) of the Agreement that were noticed as a failure to perform; (2) explain to DISTRICT how CITY cured such failure to perform; or (3) present to DISTRICT a notice of intent to perform those term(s) of the Agreement, and within six (6) months after CITY's receipt of the original written notice from DISTRICT (or such shorter time period as may be reasonable) cause to be corrected such term(s) that were noticed as a failure to perform.
 - (b) If CITY fails to cause to be corrected said material term(s) of this Agreement and has received three (3) notices from DISTRICT in the same manner as subsection (a) above, for the same violation within a rolling two-year period, DISTRICT, as authorized by this Agreement may cause a NOTICE OF TERMINATION FOR CAUSE to be issued to CITY.
 - (c) Within thirty (30) days after CITY receives the written NOTICE OF TERMINATION FOR CAUSE described in subsection (b) above, CITY may present a written application and supporting documentation to DISTRICT for the time required in which to complete construction, removal or relocation of CITY facilities in order for DISTRICT to discontinue receiving wastewater flow from CITY under this Agreement. DISTRICT may approve the time

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required for CITY to disconnect the CITY SERVICE AREA from DISTRICT. DISTRICT may grant additional time beyond the time period provided if (1) the additional time requested is due to service, equipment, or material delivery constraints beyond the control and without the fault or negligence of CITY and/or (2) the project described in the written notice is of such a size that the work to be performed by CITY cannot be completed within the allowable time. If the request for extension of time is denied, the CITY may appeal the denial to the Clark County Board of County Commissioners ("BCC") within fourteen (14) days from receipt of notice of denial. The decision of the BCC shall be final.

- (d) At completion of the allotted time to disconnect, and if CITY has not disconnected from DISTRICT's POTW, DISTRICT may cause a physical disconnection of CITY and the CITY SERVICE AREA. CITY has sole responsibility for providing sewer service, and any lack thereof, to the CITY SERVICE AREA.
- (2) CITY may issue a NOTICE OF TERMINATION FOR CAUSE for non-performance by DISTRICT of a material term of this Agreement in the following manner:
 - (a) CITY shall issue to DISTRICT written notice of DISTRICT's failure to perform one or more material term(s) of this Agreement. Within thirty (30) days after receiving such written notice from CITY, DISTRICT shall (1) if DISTRICT disagrees that it failed to perform, provide CITY an explanation of how DISTRICT was performing the term(s) of the Agreement that were noticed as a failure to perform; (2) explain to CITY how DISTRICT cured such failure to perform; or (3) present to CITY a notice of intent to perform term(s) of the Agreement, and within six (6) months after DISTRICT's receipt of

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the original written notice from CITY (or such shorter time period as may be reasonable) cause to be corrected such term(s) of the Agreement that were noticed as a failure to perform.

- (b) If DISTRICT fails to cause to be corrected said term(s) of this Agreement and has received three (3) notices from CITY in the same manner as subsection (a) above, for the same violation within a rolling two-year period, CITY as authorized by this Agreement may cause a NOTICE OF TERMINATION FOR CAUSE to be issued to DISTRICT.
- (c) Within thirty (30) days after DISTRICT receives the written NOTICE OF TERMINATION FOR CAUSE described in subsection (b) above, CITY may present a written application and supporting documentation to DISTRICT for the time required for CITY to complete CITY design and construction, and afterwards remove or relocate CITY facilities in order to disconnect the CITY SERVICE AREA from DISTRICT and DISTRICT shall reimburse CITY for fifty percent (50%) of CITY's design and construction costs.

M.L. If the DISTRICT Board of Trustees determines it is necessary or in the best interest of DISTRICT to terminate this Agreement, DISTRICT shall give CITY as much notice as possible but no less than three (3) years notice.

N.M. DISTRICT shall make every reasonable effort to treat the wastewater that CITY diverts to DISTRICT's POTW in accordance with the terms of this Agreement but shall not be liable for damages, breach of agreement or otherwise for any failure, suspension, diminution or other variation of service which is occasioned by any cause that is beyond the control, and without the fault or negligence of DISTRICT.

O.N. All notices or other communications required to be given under this Agreement shall be in writing; delivered personally, by email (provided the sending party does not receive an out of office or undeliverable response) to be followed by mailing an

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original of the same by certified mail (postage prepaid, return receipt requested) within twenty-four (24) hours after such email transmission, by a recognized national courier, by facsimile or by certified mail (postage prepaid, return receipt requested); and addressed to the other party at the address set forth below:

FOR CITY:

Attention: Director of Utilities
City of North Las Vegas
2250 Las Vegas Boulevard North
North Las Vegas, NV 89030
Email: Devaulr@cityofnorthlasvegas.com
Phone: (702) 633-1903
Fax: (702) 399-2952

FOR DISTRICT:

(one copy to each, sent simultaneously:)

Customer Service Department
Clark County Water Reclamation District
5857 E. Flamingo Road
Las Vegas, NV 89122
Email: (contact District for current manager email address)
Phone: (702) 668-8120
Fax: (702) 668-9120

Engineering Planning Services Department
Clark County Water Reclamation District
5857 E. Flamingo Road
Las Vegas, NV 89122
Email: (contact District for current manager email address)
Phone: (702) 668-8160
Fax: (702) 668-9160

Such required notice or other communication shall be deemed to have been received by the party to whom it was addressed (1) when delivered, if delivered personally; (2) on the date the party sends the email provided that party does not receive an out of office or failed delivery notification; (3) on the date officially recorded as delivered according to the record of delivery, if delivered by courier; (4) on the first business day after the facsimile transmission; or (5) on the third business day, if mailed by certified mail. A

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Party may change its contact information for purposes of this Agreement by giving written notice to the other Party in the manner set forth above.

P.O. No joint venture is contemplated or established hereby, and neither of the parties shall be deemed to be the agent of the other for any purpose by virtue of this Agreement.

Q.P. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a party hereto, and neither this Agreement, nor any interest therein, may be assigned without the prior written consent of the non-assigning party.

R.Q. DISTRICT does not assume any duty to inspect the CITY SERVICE AREA, for compliance with any standards.

S.R. Each party represents and covenants with the other that they have full authority to enter into this Agreement and the terms hereof do not violate the provisions of any existing agreements affecting the parties.

T.S. In the event that any provision hereof is held in any respect to be illegal, prohibited, invalid or unenforceable by any court of competent jurisdiction, such holding shall be effective only to the extent of such illegality, prohibition, invalidity or unenforceability without affecting the remaining provisions hereof, and the parties hereto do hereby agree to replace such illegal, prohibited, invalid or unenforceable provision with a valid provision which has as nearly as possible, the same effect.

SECTION 2: INDUSTRIAL PRETREATMENT

A. DISTRICT PRETREATMENT R&S shall apply to all and CITY Pretreatment Regulations apply to the following users of DISTRICT's POTW (hereinafter and each a "User"): (1) CITY to the extent it from the City Service Area that discharges wastewater into DISTRICT's POTW through this agreement, and (2) all industrial users and all significant industrial users (SIU) who discharge into the DISTRICT's POTW through this agreement; Provided, however, that if a provision in the DISTRICT PRETREATMENT R&S is in conflict with a provision in the CITY Pretreatment Regulations, the provision in DISTRICT PRETREATMENT R&S shall

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~~control and prevail.~~ bBoth parties further agree that, if a provision in either DISTRICT PRETREATMENT R&S or CITY Pretreatment Regulations is in conflict with, fails to meet a minimum requirement contained in or is less stringent than the comparable provision in the Federal Pretreatment Regulations, then the provision in the Federal Pretreatment Regulations shall apply to the Users, control and prevail. "Federal Pretreatment Regulations" mean 40 CFR Part 403, as amended and DISTRICT PRETREATMENT R&S or CITY Pretreatment Regulations shall be amended to be at least equivalent to federal regulations. The CITY shall have the legal authority to enforce the DISTRICT PRETREATMENT R&S with regard to Users.

~~A.B.~~ Both, the CITY and DISTRICT shall notify the other of any planned pretreatment program modifications that impact the CITY SERVICE AREA prior to adoption and provide updated program documents when modifications are made.

~~B.C.~~ CITY hereby agrees that DISTRICT, in its sole and absolute discretion, may make the final determination as to whether a particular User discharging from the CITY SERVICE AREA to the DISTRICT POTW is a significant industrial user or an industrial user, based upon information that CITY shall provide to the DISTRICT. At DISTRICT's written request, CITY shall notify Users that are determined by DISTRICT to be significant industrial users or industrial users of requirements contained in the DISTRICT PRETREATMENT R&S that DISTRICT determines are pertinent to the particular User.

~~C.D.~~ CITY shall control, through the issuance of wastewater discharge permits and in accordance with CITY Pretreatment Regulations, the discharge of industrial wastes by each Significant Industrial User discharging from the CITY SERVICE AREA to the DISTRICT POTW. CITY shall have primary responsibility for drafting wastewater discharge permits, inspecting, monitoring and enforcing the CITY Pretreatment Regulations upon the Users. CITY shall provide DISTRICT copies of all wastewater discharge permits, and any modification thereof, industrial monitoring reports, including without limitation the compliance reports that are required by the CITY Pretreatment

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Regulations, self-monitoring reports, baseline monitoring reports, records of violations, and the actions that CITY takes with respect thereto, all responses to any other monitoring or report requirement that is imposed under applicable requirements and any information that is submitted to CITY pursuant to the CITY Pretreatment Regulations. If DISTRICT believes the DISTRICT PRETREATMENT R&S require additional CITY action, DISTRICT shall notify CITY in writing of those additional actions and reference the specific DISTRICT PRETREATMENT R&S provisions. CITY shall maintain all such reports, records and responses and any other relevant information for a period of at least three (3) years, or longer as may be determined by DISTRICT to be necessary and communicated to CITY by DISTRICT through a written notice, during the course of any unresolved litigation that involves a User and to which such reports, records, responses and information relate.

D.E. CITY agrees to enforce the CITY Pretreatment Regulations with respect to each User. If DISTRICT believes the DISTRICT PRETREATMENT R&S or the then-current DISTRICT Enforcement Response Plan, as amended, (the "DISTRICT ERP") requires additional CITY enforcement action with respect to a User, DISTRICT shall notify CITY in writing of those additional, required enforcement actions and reference the specific DISTRICT PRETREATMENT R&S or DISTRICT ERP provisions. Upon CITY's written request, DISTRICT shall provide CITY copies of the DISTRICT ERP and DISTRICT enforcement procedures.

E.F. DISTRICT shall notify CITY of any potential pretreatment issues, and CITY shall be designated as the first responder in inspecting and rectifying these issues. Upon notification to CITY, DISTRICT shall have the right to inspect any part of CITY's sanitary sewer system in the CITY SERVICE AREA that discharges to DISTRICT's POTW and the right to monitor any parameter of the wastewater flowing therein, which rights shall extend to the public streets and easements and to any public property on which or within which CITY's sanitary sewer system in the CITY SERVICE AREA that discharges to DISTRICT's POTW.

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F.G. Whenever, in the sole and exclusive judgment of DISTRICT, a discharge to its wastewater collection and treatment system from the CITY SERVICE AREA appears to constitute an immediate threat to the health and welfare of persons or a danger to the environment or threatens to interfere with the operation or regulatory compliance of DISTRICT's POTW, DISTRICT may immediately initiate steps to identify the source of such discharge and to halt or prevent the same. In this connection, DISTRICT may pursue any legal, administrative or self-help remedy that may be legally available to it, including without limitation, injunctive relief against CITY or any User that is a significant industrial user or industrial user that contributes to the emergency condition, or all.

G.H. If a slug discharge or an upset (as such terms are defined in the DISTRICT PRETREATMENT R&S and/or in HMC chapter 14.09) occurs anywhere within the CITY SERVICE AREA and that slug discharge or upset discharges or is likely to discharge into DISTRICT's POTW through the INTERCONNECTION, CITY shall notify DISTRICT immediately upon CITY's acquiring knowledge of such slug discharge or upset. That notice shall be made to:

Clark County Water Reclamation District
Pretreatment Section
5857 E. Flamingo Road
Las Vegas, Nevada 89122
Telephone: 668-8076 (8:00 am - 5:00 pm, Monday-Friday)
668-8354 (all other hours)

Additionally, a duplicate of the above notice shall be transmitted to DISTRICT in accordance with Section 1.P above.

H.I. CITY and DISTRICT acknowledges that each shall have the responsibility of complying with the requirements that are set forth in the DISTRICT PRETREATMENT R&S with respect to the confidentiality of the information and data that each obtains from a User. DISTRICT acknowledges responsibility for compliance with requirements set forth in the CITY Pretreatment Regulations with respect to confidential information.

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SECTION 3: TERMINATION PREVIOUS INTERLOCAL AGREEMENTS

CITY and DISTRICT agree any existing Interlocal agreement relating to the DISTRICT providing sewer service or industrial pretreatment to users located in CITY service area shall terminate on the date of this agreement.

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CLARK COUNTY WATER RECLAMATION DISTRICT

By: _____
Thomas A. Minwegen
General Manager

CITY OF HENDERSON, NEVADA

By: _____
John J. Lee
Mayor

ATTEST:

Date of City Council
Action: _____

By: _____
Catherine A. Raynor, MMC
City Clerk

Approved as to Funding:

By: _____
Richard Derrek
Chief Financial Officer

Approved as to Content:

Approved as to Form:

By: _____
Sandra Douglass Morgan
City Attorney

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Exhibit A
Depiction of CITY SERVICE AREA

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Exhibit B
CITY SERVICE AREA Legal Descriptions

<<INSERT LEGAL DESCRIPTIONS HERE>>

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